3 Undervalued Companies to Buy in 2022

**Description**

Not all undervalued companies are worth buying. Many of them offer only a good, discounted deal and nothing else. Still, there are few that may end up boosting the overall "value" of your portfolio if you manage to buy them at a discounted valuation and hold on to them for long enough.



## An undervalued dividend stock

Even though a price discount might be worth more for a dividend stock (as it translates to a higher yield), buying an undervalued REIT like **SmartCentres REIT** (TSX:SRU.UN) might still be the intelligent thing to do.

The REIT is currently trading at a 15% discount from its all-time high price point, and if the current growth momentum (even as slow as it is) can carry it forward, you may experience a bit of capital appreciation as well.

However, currently, the REIT is a good buy for its dividends. The yield is at an attractive 5.6%, and the payout ratio is quite stable. And there is a high probability that the REIT might raise its dividends, as it did in the past.

The REIT is already a leader in a particular retail space, and it's rapidly expanding its influence in the urban living market, which may translate into solid financial/organic growth, making the current undervalued buy a potentially explosive bet.

## An undervalued growth stock

**Granite REIT** (TSX:GRT.UN) is one of the few REITs that are more attractive for their capital-appreciation potential than their dividends. However, right now, it's a wise investment for its valuation as well. The price-to-earnings ratio is at 4.8, despite the fact that the price is currently just 6% lower than its all-time peak.

And even though the yield is not this REIT's forte, especially if you compare it to other high-yield REITs, 3.1% is decent enough, especially if you consider the dividend raises the stock has been offering for 11 consecutive years.

The primary reason to buy Granite is for its steady capital appreciation, backed by a healthy, diversified portfolio and rock-solid financials.

## A risky growth stock

Few asset classes are as risky as cryptocurrencies, and this spills over to crypto stocks as well. And the current **Bitcoin** slump is part of the reason crypto stocks like **Galaxy Digital Holdings** (TSX:GLXY ) are currently trading at a 61% discount from their yearly peak and a beaten-up valuation, especially for a tech stock.

But this volatility is also the stock's asset. Crypto stocks tend to outperform the underlying cryptocurrencies and offer magnified growth.

At its current price, the stock can already double your money if Bitcoin reaches even close to its all-time high, and if it overshoots, the increased optimism around the crypto market can boost your growth potential with this undervalued tech stock as well.



## Foolish takeaway

If you are looking for some undervalued stocks that you can hold for the long-term, the three are worth considering. Even Galaxy Digital, which is usually considered for its short-term growth potential, might offer exceptional returns if you hold on to it long enough.

**CATEGORY**

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2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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